

Honolulu, Hawaii

FEB 28 , 2019

RE: H.B. No. 1270
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1270, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to preserve access to health care for Medicaid recipients by extending the Hospital Sustainability Program (Program). Specifically, this measure:

- (1) Clarifies that "private hospitals" means all currently operating hospitals, except hospitals affiliated with the Hawaii Health Systems Corporation and specified charitable hospitals;
- (2) Increases the cap of the hospital sustainability fee to four percent of a hospital's net patient service revenue, net inpatient hospital service revenue, and net outpatient hospital service revenue;
- (3) Removes the exemption from the hospital sustainability fee for outpatient care services for children's hospitals, rehabilitation and psychiatric hospitals, and other hospitals based on their annual net outpatient revenues;

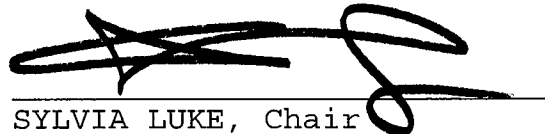


- (4) Extends the Program for fiscal biennium 2019-2021; and
- (5) Appropriates an unspecified amount out of the Hospital Sustainability Program Special Fund to the Department of Human Services to expend for authorized purposes under the Program.

The Department of Human Services, The Queen's Health Systems, Kaiser Permanente Hawai'i, Hawai'i Pacific Health, Hawaii Medical Service Association, Healthcare Association of Hawaii, and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



